



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

April 9, 2010

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To: Supervisor Gloria Molina, Chair
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From: William T Fujioka
Chief Executive Officer

MOTION TO SEND A FIVE-SIGNATURE LETTER IN SUPPORT OF AB 1650 (FEUER/BLUMENFIELD) TO THE LOS ANGELES COUNTY STATE LEGISLATIVE DELEGATION, AND INSTRUCT THE COUNTY'S LEGISLATIVE ADVOCATES TO PURSUE THE COUNTY'S POSITION ON THIS BILL (ITEM 17 - AGENDA OF APRIL 13, 2010)

Item 17 on the April 13, 2010 Agenda is a motion by Supervisor Yaroslavsky to send a five-signature letter in support of **AB 1650 (Feuer/Blumenfield)** to the Los Angeles County State Legislative Delegation, and instruct the County's Legislative advocates to pursue the County's position on this bill.

AB 1650, as amended on February 23, 2010, would prohibit a "scrutinized person," defined as a person that engages in investment activities in the energy sector in Iran, from bidding or entering into a contract for goods or services with a public entity. A scrutinized person may be an individual, corporation, limited liability company, business association, partnership, trust, nongovernmental organizations or government entity. The provisions of AB 1650 would become effective only if pending Federal legislation authorizes states to adopt and enforce the prohibition that scrutinized persons enter into a contract with a public entity.

According to the Assembly Judiciary Committee bill analysis, the United States and much of the international community has condemned the Government of Iran for its human rights violations, its support of international terrorism, and its efforts to develop

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nuclear weapons under the guise of developing nuclear power for domestic energy uses. Additionally, the Iran Sanctions Act of 1996 contains U.S. policy to work with international organizations to pressure Iran to cease its nuclear activities, and it authorizes the President to impose sanctions and limit the ability of U.S. persons and businesses from engaging in business activities with the Government of Iran.

The U.S. Congress is currently considering legislation that would strengthen existing sanctions and enable state and local governments to adopt restrictions consistent with Federal policy. Pending Federal Legislation, H.R. 1327 (Frank) and S. 1065 (Brownback) would enact the Iran Sanctions Enabling Act. Both measures would indicate that it is the policy of the United States to support the decision of state and local governments to prohibit the investment of assets in Iran's energy sector.

The author's office indicates that AB 1650 would support Federal and international efforts by precluding private companies from entering into State contracts if they have substantial business dealings in Iran's energy sector, which would ensure that California tax dollars do not support companies whose investments support Iran's nuclear activities.

Because there is no existing Board policy to ensure that the County tax dollars do not support companies whose investments support directly or indirectly the Government of Iran's nuclear activities, support for this proposal is a matter for Board policy determination.

AB 1650 is supported by the American Jewish Committee, the Defamation League, the Center for the Promotion of Democracy and Human Rights, the Museum of Tolerance, 30 Years After, and the United Action Against Nuclear Iran. There is no registered opposition on file. AB 1650 is set for a hearing on April 20, 2010 in the Assembly Committee on Business and Professions.

WTF:RA
MR:RM:sb

c: Executive Office, Board of Supervisors
County Counsel